procedure for obtaining mining lease for coal mining is governed by the provisions contained in the Mines & Minerals (Regulation & Development) Act, 1957 and the Mineral Concession Rules, 1960, read with the Coal Mines (Nationalisation) Act, 1973. These provisions apply equally to the private sector and the public sector.

(b) and (c) So far 19 Indian parties only, including both private companies and public sector undertaking/ organisations (other than Coal India Ltd. and its subsidiaries and Singareni Collieries Company Ltd. and the State Government Undertakings) have been identified.

The conditions governing offer of coal blocks to various parties for captive consumption, interalia, include:—

(a) The parties have to bear full cost of exploration in the blocks offered to them respectively.

(b) the parties have to obtain the approval of the Central Government in their mining plans under the mines and Minerals (Regulation & Development) Act, 1957 and will be subject to the inspection and enforcement of the Coal Mines (Conservation & Development) Act, 1974 and enforcement of safety regulations by DGMS and the other laws.

(c) That the Coal produced by them will be utilised only for their own consumption.

Privatisation of coal mines

1501. SHRIMATI URMILABEN CHIMANBHAI PATEL: Will the Minister of COAL be pleased to state:

(a) whether there is any move by Government to privatise coal mines;

(b) if so, whether the rules and regulations for the tender bids have been finalised; and

(c) if so, whether it allows 100% equity for foreign companies?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) The Government have, subject to legislative changes, decided to offer new coal blocks to the Indian Companies including public sector companies on the basis of competitive bidding.

(b) The rules and regulations for such bidding are under consideration in consultation with Ministries of Mines and Law.

(c) Foreign companies will not be allowed to participate in the competitive bidding.

Development of coal sector

1502. SHRI SATISH PRADHAN: Will the Minister of COAL be pleased to state:

(a) whether a substantial investment is called for in coal sector to meet the accelerated demand of coal by industrial and power sector;

(b) if so, the actual investment made during the last five years and details of steps taken/proposed to ensure adequate flow of investment in coal sector;

(c) whether Government are considering changes/amendment in Coal Mines Nationalisation Act and the Mines and Minerals Regulations Act;

(d) if so, details thereof; and

(e) the package of incentives finalised to encourage private investment in coal sector and number of blocks identified for fresh private investment, details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) Yes, Sir.

(b) Investment made during the last five years in coal and lignite sector is given below:

(Rs. in crores)

Year	Coal	Lignite	Total
1991-92	1648.67	48.35	1697.02
1992-93	2233.16	43.37	2276.53
1993-94	2249.90	43.24	2293.14
1994-95	2125.91	112.82	2238.73
1995-96	1855.18	136.03	1991.21

Steps taken/proposed to ensure adequate flow of investment in coal sector to meet the growing demand of coal, *inter-alia,* include:

(i) Partial de-regulation of coal prices which is likely to improve the generation of internal financial resources of the coal companies.

(ii) The capital base of Coal India Limited has been restructured which will, *inter-alia,* enable it to raise additional financial resources from the capital markets which are required to add new coal production capacity.

(iii) Efforts to recover the outstanding coal sale dues in order to augment availability of resources with the public sector undertakings in the coal sector.

(iv) Private sector companies engaged in production of iron and steel, cement and generation of power have been permitted to take up coal mining for captive consumption. This is expected to increase investment in coal production and hence increase availability.

(v) To attract private investment in the coal sector, Government has decided to propose necessary legislative changes to enable any Indian company to mine coal and lignite for sale.

(c) Yes, Sir.

(d) The proposal has not been finalised so far.

(c) Subject to legislative changes, the government have accepted the recommendation of the Committee on Integrated Coal Policy to offer new coal blocks, without any restriction on captive coal mining, to Indian companies, including public sector companies, on the basis of competitive bids. The Government have also accepted the recommendation of the Committee that price of coal from new coal mining projects to be taken up henceforth, may be fixed on the basis of negotiations between the coal producer and the consumer. Prices of A, B, C and D grades of coal, soft and hard coke have already been deregulated. The prices of other grades of coal will be fixed twice a year upto 01.01.2000 according to BICP formula based upon stipulated indices. Total 69 mining blocks have been identified so far far possible investment by Indian companies and State power utilities.

Norms for privatisation of coal sector

1503. SHRIMATI JAYANTI PATNAIK: Will the Minister of COAL be pleased to state:

(a) whether Governent have taken steps to privatise mining, transport and sale of coal;

(b) if so, the norms prescribed for the privatisation of coal sector;

(c) whether safety aspect has been taken care of while making such a decision; and

(d) if so, the details of the provisions incorporated in the privatisation norms?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) The Government propose to move a Bill to amend the Coal Mines Nationalisation Act in order to enable any Indian company to undertake coal mining.

(b) It is proposed that interested